

# RECLAMATION

*Managing Water in the West*

## Prospectus

For the Development, Operation, and Maintenance of a  
Concession Opportunity at Kim's Marina Concession Area  
Canyon Ferry Reservoir Near Helena, Montana



US Department of the Interior  
Bureau of Reclamation  
Montana Area Office  
Billings, Montana

August 2006



# Prospectus

For the Development, Operation, and Maintenance  
of a  
Concession Opportunity  
at the  
**Kim's Marina Concession Area**  
Canyon Ferry Reservoir  
Near Helena, Montana

US Department of the Interior  
Bureau of Reclamation  
Montana Area Office  
PO Box 30137  
Billings, Montana 59107

August 2006

## TABLE OF CONTENTS

<b>1. INTRODUCTION.....</b>	<b>1</b>
A. General .....	1
B. Background Information .....	1
C. Concession Information .....	2
<b>2. SCOPE OF WORK.....</b>	<b>4</b>
A. Visitor Services .....	4
B. Additional Services .....	4
C. General Requirements .....	5
D. Contract Assignment and Resale Opportunities .....	6
E. Operating Requirements .....	7
<b>3. CONTRACTUAL REQUIREMENTS .....</b>	<b>10</b>
A. General Contractual Requirements .....	10
<b>4. PROPOSAL SUBMISSION.....</b>	<b>11</b>
A. General .....	11
B. Bid Evaluation Criteria.....	12
C. Format .....	13

## APPENDICES

Appendix A	Location Map
Appendix B	Site Map and Concession Area
Appendix C	Draft Kim's Marina Concession Contract
Appendix D	Assigned Reclamation Property and Improvements
Appendix E	Bureau of Reclamation Concessions Management Policy and Directives and Standards
Appendix F	Operations and Maintenance Plans Template

## **1. INTRODUCTION**

### **A. General**

The Bureau of Reclamation is seeking a qualified person(s) or business to develop, operate, and maintain certain recreation-related facilities and services for the public use and enjoyment of Canyon Ferry Reservoir (Reservoir) at the Kim's Marina concession area (Area). Such recreation-related facilities and services are specifically and generally described herein and in the draft Kim's Marina Concession Contract (Contract) (Appendix C).

Please Note:

1) Bidders are hereby advised it is the policy of Reclamation to not allow private, exclusive use on Reclamation lands. The mobile homes which are located at Kim's Marina have been determined to constitute private exclusive use. Reclamation intends to complete a public process within two years after a long-term contract is awarded for this concession operation to develop an exclusive use mobile home removal transition plan. The removal of the exclusive use mobile homes within this concession area will be completed no more than 5 years after the completion of the public process. The public process will be used to determine (a) how best to accomplish the removal of the mobile homes and (b) what type of facilities would be a financially beneficial replacement for the concessionaire.

2) All respondents to this Prospectus are to make a bid, at a minimum, on the required services and stipulations specifically described herein. Bids may also include authorized services. Initial consideration will be given to the required services; consideration of the authorized visitor services will be used in the event two or more bids are considered equally competitive. Please do not submit bids that go beyond the opportunities described in this document - no additional consideration will be granted.

### **B. Background Information**

The Reservoir is located in central Montana in Lewis and Clark and Broadwater Counties, about 15 miles east of Helena and about 3 miles north of Townsend (see map in Appendix A). It serves as a statewide recreation facility; however, most visitors come from within a 120-mile radius of the Reservoir. Other major cities within the service area include Great Falls, Butte, Missoula, and Bozeman. The Reservoir is located east of Interstate 15 and US Routes 12/287, major north-south travel corridors to the northern Rocky Mountain region. Tourists traveling to and from Glacier National Park on Interstate 15 and U.S. Route 12/287 also constitute a potential source of concession patrons.

The Reservoir has 33,500 water surface acres, 96 miles of shoreline, and is surrounded by over 9,360 acres of Federal land at the full pool elevation of 3797 feet. The level of the

Reservoir experiences normal annual fluctuations of about 15 feet in response to flood control, water supply, power generation, and other operational needs. The highest recorded water elevation is 3800 feet. The lowest recorded elevation was 3669 feet in April 1997.

The average annual number of recreation visits to the entire Reservoir is approximately 259,000. Recreation use occurs mainly between the months of May and September, with peak use generally occurring on Memorial Day, Independence Day, and Labor Day weekends. Major recreation activities include: camping, fishing, boating, sailing, swimming, picnicking, and hunting. Ice fishing and ice schooner racing occurs during the winter months and may provide some additional but limited revenue generating opportunities.

The Reservoir is located along a portion of the Lewis and Clark Trail.

C. Concession Information

A Site and Concession Area Map is provided in Appendix B.

The current concession business name and address is:

Kim's Marina  
8015 Canyon Ferry Road  
Helena, Montana 59602

The Area contains approximately 53 acres (lands and waters), and historically included a store/office, campground, floating fuel dock, boat slips, parking lot, fuel distribution system, fuel underground storage tank, water distribution system, boat launch ramp, vault restrooms, showers, and short-term rental cabins.

Reclamation-provided improvements are described in Appendix D. The Concessionaire must maintain and repair any Reclamation-provided improvements and return them to Reclamation at the expiration or termination of the Contract in the same condition as they were received, less normal wear and tear. Reclamation retains the right to make improvements to or modify existing Reclamation-owned improvements.

The previous concessionaire may have some improvements, equipment or merchandise for sale. The successful bidder may, but is not required to, purchase the improvements, equipment or merchandise.

**REPORTED GROSS REVENUES AND NET INCOME**

**Kim's Marina**

(Not verified by financial audits)

<b>Year</b>	<b>Gross Revenues</b>
2004	\$432,755
2003	\$462,727
2002	\$414,601
2001	\$435,895
2000	\$407,942

## **2. SCOPE OF WORK**

### **A. Visitor Services**

1) Required Visitor Services. The Concessionaire is required to provide the following visitor services during the term of this Contract:

- (a) Gasoline and motor oil sales
- (b) Boat docks/slips (Minimum of 100 slips)
- (c) Groceries, snacks, and sundries appropriate for the types of recreation use occurring at Canyon Ferry Reservoir
- (d) Non-alcoholic beverage sales
- (e) Tourist and directional information to the public
- (f) Fishing tackle and supplies
- (g) Camping and day use recreation supplies
- (h) Courtesy boat dock
- (i) Boat Ramp
- (j) Campground Facilities (minimum of 100 sites)
- (k) Day use recreation facilities

2) Authorized Visitor Services. The Concessionaire is authorized but not required to provide the following visitor services during the term of this Contract:

- (a) Boat rentals
- (b) Photo and film supplies
- (c) Prepared food
- (d) Liquor, beer, and wine, subject to Montana state licensing requirements
- (e) Interpretive materials (e.g. books, postcards, posters, photographs, etc.)
- (f) Boat launching assistance, for a fee
- (g) Propane sales
- (h) Seasonal boat and trailer storage
- (i) Fishing and hunting licenses, subject to approval of FWP
- (j) Short-term cabin rentals
- (k) Pay phone services
- (l) Recreation related instructional services (e.g. lessons, etc.)
- (m) Guided recreation services (e.g. fishing, boat tours, etc.)
- (n) Operation and Maintenance of Cave Point Day Use Area
- (o) Twelve (12) mobile home lot rentals

### **B. Additional Services**

1) Unless this Contract is otherwise amended, the Concessionaire's use of the Area shall be limited to the required and authorized services as provided for in the Contract.

2) The Concessionaire may request authorization for additional visitor services which it believes may be beneficial to public recreation; however, Reclamation retains the sole

right and authority to determine whether those additional visitor services will be provided.

- 3) Reclamation may identify additional visitor services that should be provided, and may expand the size of the Area to include other Reclamation administered land and water areas at Canyon Ferry Reservoir and assign those opportunities to the Concessionaire, provided the Concessionaire is in agreement. If the Concessionaire declines to offer the additional visitor services as proposed by Reclamation and Reclamation determines the visitor services are necessary and appropriate, another separate contract for those services may be issued.
- 4) Any and all changes in visitor services provided by the Concessionaire shall be documented in writing and amended to this Contract before such visitor services may be provided. Authorization for additional services will consider the following criteria:
  - (a) The service must directly serve the short-term recreating public use of Canyon Ferry Reservoir.
  - (b) It must not present a hazard or nuisance to reservoir operations, to the public or resources.
  - (c) It must be legal and otherwise compatible with Reclamation Policy.
  - (d) It should not overly compete with other established, privately-provided services in the immediate area.
  - (e) It should be consistent with the types of required and authorized services specified in the Contract.
  - (f) Sub concessions are not permitted.
  - (g) A boat slip shall be provided for a Reclamation vessel at no cost.

#### C. General Requirements

The term of the Contract will be for 20 years. The Contract will not be renewed. If a concession operation is to be maintained in the Area, a new concession contract will be offered for public bid. The then existing concessionaire shall have no preference rights.

The Contract is the legal, binding document governing the Concessionaire's and Reclamation's rights, duties, and responsibilities as described therein. The Contract will take precedence over any discrepancies between this Request for Prospectus and the Contract regarding any rights, duties, and responsibilities represented herein. The Contract contains the sole and entire agreement between the parties. No oral representations of any nature form the basis of the Contract or amend its term and conditions. Any and all changes to the Contract shall be recognized in a written amendment, agreed to and executed by all parties to the Contract.

The proposed Contract requires a minimum, advance, non-refundable annual franchise fee of \$1,000, regardless of gross revenues. The \$1,000 minimum franchise fee will be due and payable to Reclamation by January 31 of each year of the Contract for the



coming year. The minimum, advance franchise fee will be included as part of the total franchise fee paid for the year. For the first year of operation, the \$1,000 fee is due within 30 days after the execution of the Concession Contract or by January 31, 2007, whichever is later.

The Concessionaire must keep the Area, facilities and improvements in an orderly and sanitary condition that is in a good state of maintenance and repair as determined by Reclamation.

The Concessionaire may restrict public use within the Area for the purpose of protecting private property or for health and safety purposes subject to prior written Reclamation approval. The Concessionaire may not restrict public access through the Area without prior written Reclamation approval.

All facilities and improvements within the Area, whether Reclamation or Concessionaire-owned, will be kept safe for public use by the Concessionaire during the term of the Contract.

The Concession must be operated with a high degree of courtesy and fairness to all patrons and the general public.

The Concessionaire is responsible for picking up trash and litter within the Area and along those portions of the Area abutting any public roads. All trash and litter shall be disposed at an off-site, State-approved municipal solid waste landfill. No burning or burying of trash is permitted.

As the water elevations of the Reservoir fluctuate, the Concessionaire is responsible for maintaining safe access by moving or adjusting any water based concession facilities or improvements within the Area, whether Reclamation or Concessionaire-owned.

#### **D. Contract Assignment and Resale Opportunity**

1) Concessionaires or parties holding interests in a concession contract may not sell, assign, or transfer their interests or a part of their interests to another party without the prior written approval of the contracting official (Regional Director or delegate). Concessionaires must complete and submit all sale and transfer information as required by Reclamation before approval of a sale or transfer of all or any portion of a concession operation will be considered.

(a) Proposed Transfer. A proposed transfer of interest is subject to the same evaluation process that is performed for a new concession contract. The Reclamation-designated official may choose not to approve a proposed sale or transfer or may choose to place conditions on the approval.

(b) Change of Original Contract Terms. Concession contracts will provide that the terms and conditions are subject to change by Reclamation before approval of a sale or transfer. The length of the term may be reduced but not extended.

#### E. Operating Requirements

During the term of the Contract the Concessionaire may provide a mobile residence(s) for their personal use or the use of paid employees. It must be maintained in a condition that allows it to be moved from the Area, at the Concessionaire's expense, at the expiration or termination of the Contract if so required.

The minimum recreation season shall be May 1 through September 30 each year. Services shall be available from 8 a.m. to 6 p.m. for a minimum of six (6) days a week which includes weekends and holidays. Dates and times of operation may be reduced with Reclamation's prior written approval.

The Concessionaire will assume full responsibility for the Area and is required to operate and maintain all facilities and improvements, including those provided by Reclamation.

Reclamation is not responsible for site security.

Reservoir-wide law enforcement on Federal land and water areas is provided by the Lewis and Clark or Broadwater County Sheriff's Department. Fish, wildlife, and water safety laws and regulations are enforced by the Montana Department of Fish, Wildlife, and Parks (FWP).

Only equipment, facilities, and improvements specifically necessary for the operation of the concession, in serviceable condition, may be stored or placed on-site. The Concessionaire may request Reclamation's written approval of a special storage area for personal vehicles or equipment to be kept on-site not necessary for the operation of the concession.

All utility or service costs for the Area including, but not limited to, potable water, electricity, septic tank pumping, telephones, etc., are the responsibility of the Concessionaire.

It is the Concessionaire's responsibility to obtain and keep current all licenses or permits issued by Federal, State, or local agencies that are necessary for the operation of the Area under the terms and conditions of the Contract. The Concessionaire shall provide Reclamation a copy of each license or permit within 30 days after it is initially obtained and as they are renewed thereafter.

The Concessionaire must provide Reclamation copies, within five (5) calendar days after their receipt, of any and all reports, notices of deficiencies, etc., resulting from inspections or reviews conducted by a Federal, State or local agency. The Concessionaire must comply with any and all stipulated remedies required by reports or

notices of deficiencies issued by those agencies unless such remedies conflict with or do not meet Federal codes or standards. If the required remedies exceed Federal codes or standards, the more stringent requirements must be met. The Concessionaire must remedy the deficiencies within the time as may be stipulated in the reports or notices.

The Concessionaire may not interfere with members of the public who purchase merchandise or services elsewhere and bring it for consumption or use within the Area.

Concession facilities and improvements and operating procedures must comply with all Federal, State, and local laws, rules and regulations, ordinances, and Executive Orders, in effect now or as may be promulgated, modified, or amended in the future.

Concession facilities will be constructed, operated, and maintained so as to be accessible by disabled persons. Discrimination on the basis of handicap or physical disability is prohibited. Reclamation will conduct accessibility evaluations during the term of the Contract.

Plans for modification of existing improvements and for new improvements or construction activities must be submitted, in writing, to Reclamation for its review and written approval. No improvements or construction activities may commence until prior written approval is granted. Reclamation will at all times have the right to determine the appropriate level of planning documents required to evaluate, to its satisfaction, the extent, scope, form, and structural integrity of all improvements or construction activities. All utility line replacements or initial installation shall be placed underground. Improvements or construction activities may require, but may not be limited to, the completion of National Environmental Policy Act (NEPA) reviews and cultural resource compliance. Federal, State and local laws must be met before any improvements or construction activities commence. Depending upon the extent of proposed improvements or construction activities, the Concessionaire must plan activities in advance and provide Reclamation sufficient time to complete its administrative oversight duties as described above.

Within 30 days of Contract award, the Concessionaire must submit to Reclamation for its review and approval a final Operations and Maintenance Plan for the 2007 recreation season. By March 1 of each year thereafter, the Concessionaire must submit to Reclamation for its review and approval, updated Operations and Maintenance Plans for the coming recreation season.

The Concessionaire shall submit to Reclamation by March 1 of each year: a Hazardous Materials Spill Prevention Plan prior to dispensing or selling fuel; an inventory of Federal Occupational Safety and Health Administration (OSHA) designated hazardous chemicals used and stored in the Area by the Concessionaire; and an inventory of all waste streams generated by the Concessionaire. During the term of the Contract the Concessionaire may be required to submit other plans and reports as may be identified by Reclamation or any other regulatory agency. The Concessionaire will be responsible for obtaining any

specialized materials, permits, licenses, certifications, etc., necessary to perform their duties and responsibilities as defined in the plans.

Concessionaire-owned cabins, docks, facilities or improvements placed within the Area and used in accordance with the Contract for visitor services do not constitute private Exclusive Use. Reclamation retains the right to determine the definition or occurrence of private Exclusive Uses.

No new private long-term, Exclusive Use will be allowed on Reclamation lands. Reclamation will at some time require the removal of existing long-term Exclusive Uses.

Contracting out services to a Sub-concessionaire will not be allowed.

### **3. CONTRACTUAL REQUIREMENTS**

#### **A. General Contractual Requirements**

Each prospective bidder should become familiar with the draft Concession Contract. The draft Contract is included as a part of this Prospectus package.

The successful bidder must enter into a concession contract within a reasonable amount of time after notification of their selection. Failure to do so may result in the selection of the next best qualified bidder. The award will be on September 29, 2006. The contract will begin on January 1, 2007.

## 4. PROPOSAL SUBMISSION

### A. General

Prospective bidders are encouraged to visit the Area. Prospective bidders should contact the current concessionaire if they wish to schedule a private tour of the Area.

On August 29, 2006, Reclamation will conduct a tour of the Area for all prospective bidders. This will be the only Reclamation scheduled tour. All bidders are encouraged to attend the tour, and they should notify Reclamation of their intent. If weather conditions prevent the tour from occurring on August 29, 2006, Reclamation will establish a new tour date and will so notify all bidders of record.

If you have questions about this Prospectus, the Area, the business opportunity, submitting a proposal, etc., please present them in written form to Reclamation's representative at the address listed below. Written responses will be provided, and copies of the questions and responses will be provided to all persons requesting a Prospectus. Please note: questions will not be accepted after close of business on September 18, 2006.

Questions and Proposals must be submitted to:

Montana Area Office,  
Attention: Mr. Thomas Sawatzke  
Bureau of Reclamation  
P.O. Box 30137  
Billings, MT, 59107-0137

Proposals, in duplicate, must be received at the above identified address by close of business (5 p.m. MST) on September 18, 2006. Any proposal(s) received after this date, regardless of postmark date or problems associated with the mail or delivery service, will not be accepted. The outside of the envelope should be clearly labeled: **KIM'S MARINA CONCESSION PROPOSAL**. The successful bidder will be notified on or about September 22, 2006.

Bidders should carefully consider this Prospectus before submitting a proposal. All bidders are expected to be familiar with the Canyon Ferry Reservoir and the surrounding Area, the Contract, required and authorized services, pertinent business practices associated with the operation of a commercial marina operation, and Reclamation's Concessions Management Policy and Directives and Standards (Appendix E).

Collection of the information required under this Prospectus or any additional information is authorized pursuant to 36 C.F.R. Part 51. The collected information will be used to evaluate the bidder's ability to perform the services offered.



A bidder may choose not to complete any section of the Prospectus on the basis of Privacy Act exemption. However, failure or refusal to supply the requested information may cause such bid to be treated as non-responsive and it may be rejected.

All bids submitted in response to this Prospectus may be disclosed to any person under a Freedom of Information Act request, unless you wish to restrict disclosure of your bid (limited to proprietary information only). If so, mark the title page with the following legend:

“This data shall not be disclosed outside the Government and shall not be duplicated, used or disclosed in whole or in part for any purpose other than to evaluate the bid; provided, that if a contract is awarded to this bidder as a result of, or in connection with submission of this data, the Government shall have the right to duplicate, use or disclose the data to the extent provided in this contract. This restriction does not limit the Government’s right to use information contained in the data if it is obtained from another source without restriction. The data subject to this restriction is contained on pages (list pages).”

#### B. Bid Evaluation Criteria

All written bids received by the deadline will be evaluated by a review team to select the proposal deemed most likely to provide a safe, quality recreation opportunity to the recreating public at the Reservoir, in compliance with the required (and authorized) services described in the proposed Contract. The team will consider the following factors in this section and Section C below and select the proposal that is most advantageous to the Government:

- 1) The experience and success of the bidder in owning and/or operating a marina-based business including boat dock rentals, campground management, merchandise sales or any other qualifying experience applicable to the Required/Authorized Services to be provided to the public.
- 2) The experience and success of the bidder in owning, operating, or working in a public service concession-type business through a Federal, State, or local government agency contract or other agreement.
- 3) References from governmental agencies that administered previous commercial services contracts with the bidder.
- 4) The bidder’s agreement to provide the required services as described in the proposed Contract.
- 5) The bidder’s financial capability to provide the required services as described in the proposed Contract.

- 6) The bidder's agreement to meet the minimum franchise fee (The offered franchise fee is not the sole or predominant determining factor in evaluating proposals.)
- 7) The bidder's submittal of all draft plans, schedules, and all other documents required by the proposed Contract or discussed in this Prospectus.

The Government intends to evaluate bids and award a contract without discussions with bidders. The bidder's initial bid should contain the best terms from services provided and value to the Government standpoint. Reclamation reserves the right to seek supplemental information from any bidder at any time, for clarification of information furnished by the bidder. If no single bidder is judged to be clearly superior to the others, based on submitted information, the team may select some or all of the bidders for personal or telephone interviews to gather additional information. However, Reclamation reserves the right to open discussions with the bidders, if deemed necessary.

### C. Format

The bidder must follow the general format style indicated below and include the minimum information indicated. Additional information the bidder believes is important to the evaluation of the bid may be included in the document. Bids will be evaluated based on the information submitted; therefore, the submitted information should be in sufficient detail to facilitate a comprehensive analysis.

- 1) Introduction and Cover Sheet. Include:
  - (a) Name of the company or individual(s) (bidder)
  - (b) Address
  - (c) Phone number
  - (d) Names, titles, addresses and phone numbers of company owners (if applicable)
  - (e) Month and year the proposal was prepared
  - (f) Signature of the bidder and date
- 2) Narrative Statement. This should include a narrative explanation (who, what, when, where, etc.) of:
  - (a) Proposed plan of operation (season, store operation, staffing, etc.)
  - (b) Proposed Concessionaire provided improvements, services, merchandise, etc.
  - (c) Draft plans for proposed improvements or construction activities with proposed time lines
  - (d) Draft Operation and Maintenance Plans (Appendix F, Operations and Maintenance Plans Template, provides a sample of the topics that should be considered in Operations and Maintenance Plans)
  - (e) Types of concession services to be offered (detailed description of actual business operations)
  - (f) Acknowledgment that the bidder is willing and able to accept the terms and conditions of the proposed Contract, as well as the list of services and

requirements discussed in the Prospectus (The final Contract may include additional items or provisions if deemed appropriate by Reclamation.)

- 3) Franchise Fee. The bidder must offer an annual concession franchise fee that meets or exceeds the minimum requirement of 2 percent of gross revenues.
- 4) Detailed Experience and Background. List previous jobs, experiences, and references, of the bidder, and key staff. The bidder must address their knowledge of the hospitality industry, campground management, management, and monitoring of a fuel distribution system and propane refueling system, and any other business skills that will assist Reclamation in determining the bidders knowledge and ability to meet the terms and expectations of the proposed Contract.
- 5) The bidder must include a statement to the fact that they have no felony convictions, nor that they are under indictment for any Federal offense.
- 6) Financial Documents.
  - (a) Current business and/or personal financial statements (income tax statement and balance sheet for the past two years) of all potential concessionaires.
  - (b) Current credit statement from a recognized credit reporting agency.
  - (c) Anticipated revenue/expense statements for the first five years of operation.
  - (d) Proposed financial record-keeping system.
  - (e) Any other financial information pertinent to the bidders' proposal and proof of financial stability, including any reports of bankruptcy within the last seven years.
  - (f) Any letters from financial institutions attesting to financial capability covering the above will be considered as more definitive and responsive than personal assurances.
- 7) Supporting Documents.
  - (a) A listing of all anticipated licenses and permits required for the operation of the concession.
  - (b) The name and address of the bidder's proposed insurance carrier, and a tentative notice from the insurance company of its ability to provide said insurance in the event the bidder is successful.
  - (c) The name and address of financial institutions that may be providing loans, and the estimated loan amounts.
  - (d) The name, address, and background history of business or financial backers, partners, or officers applicable to the concession operation.
  - (e) Any other plans, data, or information that the applicant considers pertinent to the evaluation of their offer.